

Message Text

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PAGE 01 BRIDGE 01973 301448Z

40

ACTION ARA-10

INFO OCT-01 EA-09 ISO-00 L-03 NSC-05 CIAE-00 INR-07

NSAE-00 PA-02 USIA-15 PRS-01 SP-02 EB-07 COME-00

FRB-01 TRSE-00 XMB-04 FAA-00 DOTE-00 AID-05 AGR-10

CEA-01 CIEP-02 OMB-01 /086 W
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R 292043Z OCT 75

FM AMEMBASSY BRIDGETOWN

TO SECSTATE WASHDC 9799

INFO AMCONSUL BELIZE

AMEMBASSY BOGOTA

AMEMBASSY CARACAS

AMEMBASSY GEORGETWN

AMEMBASSY KINGSTON

AMEMBASSY PORT OF SPAIN

AMEMBASSY TOKYO

UNCLAS BRIDGETOWN 1973

E.O. 11652: N/A

TAGS: EAID,EFIN,BB

SUBJ: CDB TO BAIL OUT LIAT WITH US\$5.5 MILLION LOAN, RECEIVE

US\$7.1 MILLION FROM JAPAN

1. DURING ITS OCTOBER 27 MEETING, THE BOARD OF DIRECTORS OF THE CARIBBEAN DEVELOPMENT BANK (CDB) APPROVED THE LONG HOPED FOR LIAT LOAN. THE CREDIT - US\$5.5 MILLION FOR 30 YEARS - WILL SOLVE, AT LEAST TEMPORARILY, THE REGIONAL AIR CARRIER'S FINANCIAL PROBLEMS. ALTHOUGH THE STATED LONG-TERM PURPOSE OF THE LOAN IS PURCHASE OF NEW AIRCRAFT AND SPARES, ITS FIRST EFFECT WILL BE TO INSURE THE AIRLINE'S CONTINUED OPERATION. IN EFFECT THIS CDB LOAN REPLACES THE TEMPORARY US\$5 MILLION EMERGENCY LOAN BY THE GOVERNMENT OF VENEZUELA TO LIAT.

2. AT THE SAME MEETING, ITS 32ND, THE CDB SIGNED A BANK OF JAPAN LOAN FOR US\$7.1 MILLION. THE JAPANESE LOAN IS TO
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AUGMENT THE CDB'S LENDING RESOURCES AND IS NOT TIED TO PURCHASE

OF JAPANESE PRODUCTS ALTHOUGH THE JAPANESE MUST APPROVE PROJECTS
UTILIZING THE FUNDS. IT ALSO ACCEPTED US\$5 MILLION IN A
COLOMBIAN GOVT CONTRIBUTION TO THE CDB'S SPECIAL DEVELOPMENT
FUND.

3. IN OTHER ACTIONS THE BANK APPROVED LOANS TO ANTIGUA (US\$
345 THOUSAND FOR SMALL INDUSTRY AND AGRICULTURE); US\$600
THOUSAND TO BELIZE (FARMERS' CREDITS); GUYANA, US\$2 MILLION;
US\$130 THOUSAND TO MONTSERRAT FOR AGRICULTURE; US\$411 THOUSAND TO
ST. LUCIA (BANANA FARMING); AND ST. VINCENT, US\$485
THOUSAND FOR AGRICULTURE AND FISHING.
BRITTON

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Message Attributes

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Margaret P. Grafeld
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To: STATE
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